

AMENDMENTS TO THE DRAWINGS

In response to the Examiner's request, Applicants submit herewith new replacement sheets of drawings Figs. 1A, 3B, 5A, 6A and 6B that are more legible. Original drawing Figs. 1A and 1B were on one sheet. For purposes of clarity, applicants submit a new sheet for Fig. 1A and a new separate sheet for Fig. 1B. Applicants also submit herewith new drawing Figs. 3C, 4C, 6C, 10A and 10B. Drawings 3C and 6C show advertisements on the advertising panels that were disclosed in original drawings 3A, 3B, 6A and 6B. Advertisements were shown in original Fig. 1B.

Fig. 3C shows a reverse view of a double perforation laser sheet embodiment of a check used as an advertising medium in the present invention with advertisements on the advertising panels of the check.

Fig. 4C discloses an alternative embodiment of an obverse view of a double perforation laser sheet embodiment of a check used as an advertising medium in the present invention with employee pay data information and details disclosed and an employee discount coupon.

Fig. 6C discloses the reverse side of a Z-fold pressure seal style embodiment of a check with representative advertisements on the advertising panels of the check.

Fig. 10A is an obverse view and Fig. 10B is a reverse view of a single vertical perforation embodiment of a check used as an advertising medium in the present invention. Fig. 10A shows the check with employee pay details on the paycheck stub. Fig. 10B shows an advertisement on the advertising panel on the reverse side of the paycheck stub.

Drawing Fig. 1B has been revised to show advertisements 11 as distinct from advertising panels 10. Support for this revision is the original drawing 1B, 2B, 3A, 4A, 4B, 5B and 6B and in the original specification at page 7, lines 1-11 and page 9, line 1.

It is respectfully submitted that none of the revised or new drawings described above introduce any new matter into the application.

REMARKS

The present invention is directed to a new method and system for advertising on employee paycheck stubs. Revisions were made to the specification, drawings and claims to more clearly define the invention. Applicants have also submitted new claims 16-29 which incorporate the disclosure at page 10, line 16 through page 11, line 17; page 13, lines 1-23; and drawing Figs. 8 and 9. It is respectfully submitted that none of the amendments described above introduce any new matter into the specification.

Information Disclosure Statement

Pursuant to 37 C.F.R. § 1.98(3)(ii) an English translation of a non-English reference is only required to be provided if a written English-language translation of a non-English language document, or a portion thereof is within the possession, custody or control of, or is readily available to any individual designated in 37 C.F.R. § 1.56(c). The only such document is English abstract of the French reference that was identified in Applicant's Information Disclosure Statement previously filed with the Patent and Trademark Office. In the event the copy provided by Applicants is not clear, Applicants will provide another copy at the Examiner's request.

Rejection Of Claims 8-11 And 1-7 Under U.S.C. § 112, Second Paragraph

In the office action, the Examiner rejected claims 8-11 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicants regard as the invention. The Examiner stated:

[i]ndependent claim 8 discloses a system for displaying advertisements on an employee's paycheck stub. However, a paycheck stub is defined in the

art as a mechanism that a depositor or an employer uses to keep a record for each check written or issued to an employee, for example, wherein the mechanism or paycheck stub is associated with a checkbook stubs [sic]. The paycheck stub is usually located on the left side of each (payroll) check and information written thereon is similar to the information printed on the associated check. Hence, the advertisements displayed on the paycheck stub will not be sent to the employee for viewing, as intended. Rather, the employer will be exposed to these advertisements, which will be kept on the checkbook stubs and stored in a safe place together with the rest of the checks as understood in the art. Therefore, the invention, as herein claimed, cannot be practiced.

Furthermore, although claim 1 recites "printing the selected advertisement on pay stubs of the group of employees," however, it is anticipated here that the "pay stubs" and "paycheck stubs" can be used interchangeably. Therefore, claim 1 suffers from similar deficiencies and claims 1-7 are also rejected under 35 U.S.C. § 112(2), under a similar rationale.

As an initial point, applicants use paycheck stub and pay stub interchangeably in specification.

Applicants respectfully submit that the Examiner's rejection is misplaced. The reference cited and attached by the Examiner refers to checkbook stubs not paycheck stubs. The reference cited by the Examiner describes information that is to be recorded on a checkbook stub which is different from and has a different purpose than a paycheck stub. A checkbook stub according to the reference cited by the Examiner provides a record concerning the account balance, the amount of deposits to be added and the amount of checks to be subtracted and the resulting account balance. The purpose of the checkbook stub is to keep a detailed record of deposits made and checks issued and to indicate the balance in the account. It is not intended to be provided to the checks recipient.

In contrast a paycheck stub provides pay and benefit related information to an employee.

Information can include the number of hours worked, the hourly rate, the gross amount of pay the employee is receiving, federal and state income, Social Security and Medicare taxes being

withheld, other payment withholding information, and net pay. It is intended to be provided to the paycheck's recipient ie the employee.

Filed concurrently with applicants' response is the Declaration of Henry V. Chase. Mr. Chase has a B.S. degree in Economics, a B.S. degree in Finance, is a Certified Public Accountant and has over 25 years experience in the area of corporate finance and accounting, specifically including payroll processing. Mr. Chase is currently a partner with the firm of Tatum Partners, the largest national professional service organization of chief financial officers in the United States.

Mr. Chase in his declaration states that one of ordinary skill in the art of accounting including payroll processing would readily understand at least as early as February 10, 2000 that the term "pay stub" or "paycheck stub" means an attachment to a paycheck that provides an employee with information concerning the employee's paycheck and optionally other matters and which is distributed to the employee. Typical information can include the pay period, the number of hours worked, the rate of pay, the gross amount of pay for the pay period, the amount of Federal and State income taxes withheld for the pay period and year to date, Medicare and Social Security tax withholding for the pay period and year to date, net pay, and vacation days accrued. Other financial information can also be provided such as deductions for insurance and contributions to employee savings plans, such as 401(k) plans, and deductions for personal charges. In addition employers can include on the paycheck stub short messages to employees concerning signing up for benefit programs, pending distributions of W-2 forms, and so forth.

Mr. Chase further states that one of ordinary skill in the art would have understood, as of February 10, 2000, that the term "check stub" or "checkbook stub" means a stub attached to a check and maintained in a checkbook as part of the register of checks written and disbursed. A checkbook stub can record the amount of the balance before a check is written or a deposit is made, the amount of a check or deposit, and the resulting balance after deducting the amount of a

check or an addition for the amount of a deposit. It does not include information which is intended to be communicated to an employee, nor to the check's recipient.

Mr. Chase concludes that one of ordinary skill in the art of accounting including payroll processing as of February 10, 2000 would not have equated a "pay stub" or "paycheck stub" to mean or equate to a "checkbook stub."

Applicants' respectfully submit that this discussion provided by Applicants obviates the Examiner's rejection to these claims. Thus, the Examiner is respectfully requested to withdraw the rejection of claims 8-11 and 1-7 under 35 U.S.C. § 112, second paragraph.

Rejection Of Claim 2 Under 35 U.S.C. § 112, First Paragraph

The Examiner rejected claim 2 under 35 U.S.C. § 112, first paragraph, "because the specification does not reasonably provide enablement for a direct deposit pay check stub."

As a preliminary matter applicants' reference the use of a direct deposit pay stub at page 6, lines 11-12. Applicants disclose that the checks used in their invention may be in the form of a paycheck or a direct deposit pay stub and that if the check is a direct deposit pay stub, the negotiable instrument will be void.

In order to make a rejection under 35 U.S.C. § 112, paragraph 1 the Examiner has the initial burden to establish a reasonable basis to question the enablement provided for the claimed invention. See, MPEP § 2164.04; *In re Wright*, 999 F.2d 1557, 1562 (Fed.Cir. 1993). A specification disclosure which contains a teaching of the manner and process of making and using an invention in terms which correspond in scope to those used in describing and defining the subject matter sought to be patented must be taken as being in compliance with the enablement requirement of 35 U.S.C. § 112, first paragraph. MPEP § 2164.04.

At a minimum the Examiner must be given reasons for the uncertainty of enablement. *See In re Bowen*, 492 F.2d 859, 862-63 (CCPA 1974); MPEP § 2164.04.

The Examiner should provide:

“those factors, reasons and evidence that lead the examiner to conclude that the specification fails to teach how to make and use the claimed invention without undue experimentation, or that the scope of any enablement provided to one skilled in the art is not commensurate with the scope of protection sought by the claims. This can be done by making specific findings of fact, supported by the evidence, and then drawing conclusions based on these findings of fact. . . . [S]pecific technical reasons are always required.” MPEP § 2164.04. (emphasis in original)

The Examiners rejections of claim 2 under 35 U.S.C. § 112, first paragraph fail to meet these requirements. No basis or technical reasons are given for the rejection. Applicants' original specification at page 6, lines 11-12 provides support for claim 2 by disclosing: “The checks 2 may be in the form of a paycheck or a direct deposit pay stub. If the check 2 is a direct deposit pay stub, the negotiable instrument 4 will be void.”

One of ordinary skill in the art, at least as early as of the February 10, 2000 filing of the application would understand what a “direct deposit pay stub” or a “direct deposit paycheck stub” was. Applicants have attached the Declaration of Henry V. Chase. Mr. Chase has a B.S. degree in Economics, an M.S. degree in Finance, is a certified public accountant and has over 25 years of experience in the field of corporate accounting including payroll processing. Mr. Chase states a person of ordinary skill in the art of accounting including payroll processing at least as early as February 10, 2000 would have understood that a direct deposit pay stub or a direct deposit paycheck stub was the same thing as a “pay stub” or a “paycheck stub” except that the negotiable instrument portion of the check would have been void or non-negotiable.

A person of ordinary skill in the art of accounting including payroll processing would not have equated a “checkbook stub” to mean or equate to a “direct deposit pay stub” or a “direct deposit paycheck stub.”

Applicant’s specification provides sufficient information for enablement for a direct deposit paycheck stub. In addition the declaration of Mr. Chase makes it clear that the term direct deposit paycheck stub as described in Applicants’ specification would have been understood by one of ordinary skill in the art of accounting including payroll processing at least as early as February 10, 2000 to mean essentially the same thing as a paycheck stub except the negotiable instrument would be void or nonnegotiable. That would include providing an employee with information concerning the employee’s paycheck and optionally other matters. This information can include the pay period, the number of hours worked, the rate of pay, the gross amount of pay for the pay period, the amounts of Federal and State income tax withheld for the pay period and year to date, Medicare and Social Security tax withholding for the pay period and year to date, net pay, and vacation days accrued. Other financial information can also be provided such as deductions to employee savings plans, such as 401(k) plans and deductions for personal charges. In addition the direct deposit paycheck stub can include short messages to employees concerning signing up for benefit programs and pending distributions of W-2 forms, and so forth.

Applicants respectfully submit that the discussion hereinabove obviates the Examiner’s rejection of claim 2. Thus, the Examiner is respectfully requested to withdraw the rejection of claim 2 under 35 U.S.C. § 112, first paragraph.

Rejection Of Claims 1-7 Under 35 U.S.C. § 101

In the office action , the Examiner rejected claims 1-7 under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. The Examiner stated that “the process or steps disclosed in independent claim 1 pertains to a manual process and therefore, the claim does not fall within the technological art. In other words, the process of receiving employee data..., analyzing the employee data to categorize employees , receiving from advertisers advertisement data...., as recited in independent claim 1, should be implemented via a device, such as a computer system, a database, a data communication, computer network, the Internet and so and so forth and the technology should be incorporated in the body of the claim as well.”

Law Concerning Patentable Subject Matter

The Court in *In re Alappat*, 33 F.3d 1526, 1542 (Fed.Cir. 1994) reiterated the standard for patentability:

The plain and unambiguous meaning of § 101 is that any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may be patented if it meets the requirements of patentability set forth Title 35, such as those found in §§ 102, 103, and 112. The use of the explosive term “any” in § 101 represents Congress’s intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically resulted in § 101 and the other parts of Title 35. Indeed the Supreme Court has acknowledged that Congress intended § 101 to extend to “anything under the sun that is man made.” *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980). Thus, it is improper to read into § 101 limitations as to the subject matter that may be patented where the legislative history does not indicate that Congress intended such limitations. (citations omitted)

The Supreme Court in *Diamond v. Diehr*, 450 U.S. 175, 185(1981) explained that there are three categories of subject matter for which one may not obtain patent protection, namely “laws of nature, natural phenomena, and abstract ideas.”

The *In re Alappat* Court explained that “abstract ideas constitute disembodied concepts or truths which are not “useful” from a practical standpoint standing alone i.e. these are not “useful” until reduced to some practical application. Of course, a process, machine, manufacture, or composition of matter employing a law of nature, natural phenomena or abstract idea may be patentable even though the law of nature, natural phenomenon, or abstract idea employed would not by itself, be entitled to such protection. (citations omitted) *In re Alappat* at 1543.

The U.S. Supreme Court has stated that the focus in any statutory subject matter must be on the claim as a whole. See, *Diamond v. Diehr* at 192.

As the Examiner concedes the Freeman-Walter-Able test has little, if any, applicability to determining the presence of statutory subject matter and should not be used. See, *State Street Bank & Trust Co.*, 149 F.3d 1368, 1374, (Fed.Cir. 1998); MPEP §2106.

It is well established that “[t]he inclusion in a patent of a process that may be performed by a person, but that also is capable of being performed by a machine, is not fatal to patentability.” *Alco Standard Corp. v. Tennessee*, 808 F.2d 1490, 1496 (Fed.Cir. 1986), citing *Diamond v. Diehr*, 450 U.S. 175 (1981). Subsequent court decisions have adopted and applied this standard. In the case of *In re Dossel*, 115 F3d 942, 946 (Fed.Cir. 1997) the Court reversed a rejection by the Examiner even though “[n]either the written specification nor the claims used the magic word “computer,” nor do they quote computer code that may be used in the invention.

Similarly, in *AT&T Corp v. Excel Communications*, 172 F.3d 1352, 1354-55 (Fed.Cir, 1999) the method claims at issue did not recite the use of a computer and were found to satisfy 35 U.S.C. §101.

The case of *In re Musgrave*, 167 U.S.P.Q. 280 (C.C.P.A. 1970) cited by the Examiner is particularly instructive, The Patent Office rejected a number of applicants method claims that did not recite the use of a computer on the grounds that the claims fell within two categories: (1) all “mental steps”; (2) some mental steps and some physical steps with patentability dependent on the mental steps ” *In re Musgrave* at 287. The Court reversed the Patent Office Board of Appeals decision that had affirmed the Examiner’s rejection. The Court found that the method claims were not non-statutory merely because some or all of the steps can be carried out in or with the aid of the human mind because it may be necessary for one performing the process to think. *Id.* at 289.

The *Ex parte Bowman*, 61 U.S.P.Q. 2d 1669 (Trademark Tr. & App. Bd. 2001) case cited by the Examiner is readily distinguishable from the Applicants’ application. In the *Ex parte Bowman* case neither the specification nor the claims discussed the use of any technology. Applicants respectfully submit the Examiner’s position that claims 1-7 do not fall within the technological art is not supported by the cases cited by the Examiner or any other legal authority. The Examiner has cited no authority for the proposition that the claims must be implemented via a device such as a computer system. Such a proposition is contrary to the law as expressed by the Federal Circuit in *In re Alappat*, *In re Dossel* and *AT&T* decisions. Applicants’ specification provides extensive discussion regarding the use of technology including computers, databases, a web server, the use of electronic files, e-mail, and a software program. The information is located at page 10, line 16 through page 11, line 17. Additional support is found at page 13, line

1 through page 15, line 8. Further support is disclosed in drawing Figs. 8 and 9. Applicants respectfully submit that their specification fully complies with 35 U.S.C. § 101 and that claims 1-7 fall within the technological art.

In view of the discussion presented by Applicants hereinabove the Examiner is respectfully requested to withdraw the rejection of claims 1-7 of the application under 35 U.S.C. § 101.

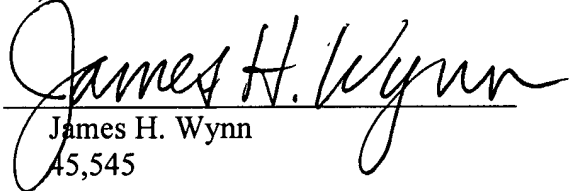
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In view of the foregoing amendments and remarks, Applicants respectfully request that the Examiner pass this application claims 1-29 to issue.

If the Examiner believes any issues still remain in the prosecution of the application, the Examiner is requested to telephone Applicants' undersigned attorney at the telephone number set forth hereinbelow. Any additional fees that are due in connection with this correspondence can be charged to Deposit Account Number 122144 in the name of Lord, Bissell & Brook.

Respectfully submitted

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